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C O N F I D E N T I A L SECTION 01 OF 02 LISBON 001766

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SUBJECT: A/S SHANNON VISIT HIGHLIGHTS EU-LATIN AMERICA TIES

Classified By: Dana M. Brown, Pol-Econ, Embassy Lisbon
Reasons 1.4 (b) and (d)

Summary

¶1. (SBU) During Assistant Secretary Tom Shannon's visit to Portugal on June 25, he met with Portuguese government officials and EU member ambassadors to discuss Cuba, Venezuela, and Brazil. Overall, most agreed that the US policy of supporting a Cuban-directed solution after Castro would be the best way to ensure a rational, sustainable government. Venezuela was widely seen as a volatile interlocutor, dependent on Castro and increasingly vocal in its anti-American rhetoric. Portugal's relationship with Brazil has paved the way for wider EU engagement. Portugal hosted an EU-Brazil summit on July 4 in Lisbon before the official Troika meeting in Brussels on July 5. End summary.

Cuban Transition: Who Can Assist?

¶2. (C) Portuguese Senior Diplomatic Advisor to the Prime Minister Jorge Roza de Oliveira told Assistant Secretary Tom Shannon that Portugal wants to collaborate closely with us in facilitating a Cuban transition to democracy, although believed a wait-and-see approach is most appropriate at the moment, given the uncertainty of current developments in Castro's inner circle. The Foreign Minister's Diplomatic Advisor Paulo Lourenco stressed that Portugal is not aligned with Madrid and Rome on Cuba policy, and that the recent meeting which renewed the EU's Common Position had highlighted continuing divisions among member nations on Cuba. Oliveira argued that Spanish FM Moratinos's visit to Cuba earlier this year had been unhelpful to international efforts to encourage a democratic transition.

¶3. (C) Ambassadors from EU member states, Canada and Japan discussed Cuba and other Latin American issues over a working lunch. Czech Ambassador Ladislav Skerik agreed that the EU should do its part to ensure a space for dialogue in Cuba. Japanese Ambassador Satoshi Hara remarked that the EU should not overlook Asia's role in Latin America. While Europe could play an important role in strengthening common goals and democratic values, Hara stressed that Japan and other Asian nations also play a role. He warned that, if unchecked, China would pursue its national energy agenda abroad by its own rules.

¶4. (C) Portuguese Director General for Foreign Policy Bramao Ramos asserted that Portugal hoped other Latin American

nations could open the door for international support of a democratic transition. He said Portugal will speak to Brazilian and Venezuelan officials over the next two months to see whether either would be able to convince a post-Castro government to work with European partners in a transition. While he allowed that Portugal does not have a close relationship with Cuba, he was hopeful that other nations could help facilitate a relationship in the future. A/S Shannon encouraged Portugal's interest in dialogue with Brazil and Venezuela, but was skeptical that Venezuela would be interested in helping the international community aid a transition to democracy. Bramao Ramos promised to keep us posted on their Cuba-related consultations with Brazil and Venezuela. Shannon noted that Chavez would probably align himself with hard-liners in a post-Castro Cuba, arguing that Chavez's interests would not be served by a democratic Cuba.

Venezuela: Bark Worse than Bite?

15. (C) Most agreed that Venezuela's volatile politics were worrisome. Jorge Roza de Oliveira claimed that the majority of Portuguese immigrants to Venezuela were anti-Chavez and had suffered economic losses due to his administration's policies. Dutch Ambassador Robert Jan van Houtum asked whether we felt that Chavez's "bark was worse than his bite." A/S Shannon responded that the U.S. has declined to engage in a public war of words with Chavez, avoiding rhetorical confrontation in favor of positive engagement in the region. That said, Shannon stressed that Chavez was more than rhetoric and was capable of actions that were dangerous and foment regional instability.

16. (U) Bramao Ramos, who served as Portuguese Ambassador to LISBON 00001766 002 OF 002

Venezuela, remained hopeful that Venezuela could play a constructive role. He mentioned that Chavez had a refueling stop scheduled in Lisbon on June 26 and said it was unclear who from the Portuguese government would meet him. (Note: Secretary of State Cravinho later told A/S Shannon that he

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would meet Chavez at the airport. End note.)

Brazil: Europe's Link to Latin America

17. (SBU) Portugal hosted the first summit between Brazil and the European Union on July 4 as an initiative to draw closer to Brazil and Mercosul markets, and aims to make it a regular event. EU ambassadors reported the group's interest in focusing talks on biofuels, climate change, and poverty alleviation issues. In response to one comment about Brazil's role as a stabilizing force, A/S Shannon elaborated on the growing division between Brazil and Venezuela's economic interests. He stated that Brazil is interested in maintaining control over a future energy pipeline infrastructure around Latin America as a way to ensure reliable access to energy resources. Bramao Ramos agreed that Brazil's powerful economic potential and stable government were reassuring to EU partners. Portugal looks forward to enhancing relationships with both the Americas and Africa during its six month tenure as EU President.

Comment

18. (C) A/S Shannon's visit attracted great interest from senior Portuguese government officials. It was very helpful in laying out U.S. objectives in the Western Hemisphere, many of which the Portuguese share. GOP officials underscored their determination to collaborate closely with us in laying

the groundwork for a democratic transition in Cuba and in strengthening EU relations with Brazil.

¶9. (C) We will not be able to rely on Portugal to take a firm line on Venezuela. The GOP treads lightly with Hugo Chavez, motivated primarily by its concerns over the well-being of the 500,000 Portuguese citizens who live in Venezuela. Bramao Ramos is the only Portuguese interlocutor who has suggested that Venezuela could be helpful on Cuba -- we are not sure that that view is shared at higher levels.

¶10. (U) This message was cleared by Assistant Secretary Shannon.
Hoffman